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August 18, 2005

VIA E-MAIL

Massachusetts Division of Energy Resources
The Commonwealth of Massachusetts
70 Franklin Street, 7th Floor
Boston, Massachusetts 02110-1313

RE: Notice of Inquiry Regarding Some Proposed Revisions of the Regulations Pertaining to the Definition of "Low-Emission, Advanced Biomass Power Conversion Technologies" ("NOI").

Dear Sir:

Cape Wind Associates, LLC ("Cape Wind") hereby reiterates and incorporates our comments of July 15, 2005, and offers further comments to the above referenced NOI. While we acknowledge the DOER's statutory authority to add technologies or technology categories to the statutory list of renewable energy generating sources, we maintain that the Proposed Guidelines are against the clear Legislative intent of the Electric Restructuring Act to provide a minimum percentage of kilowatt-hours sales to end-use customers in the commonwealth from new renewable energy generating sources. The DOER's existing RPS Regulations are narrowly tailored to achieve the Legislature's intent of developing new renewable energy sources and the Proposed Guidelines represent a clear departure from this well articulated goal. Further, on this particular issue the Legislature has by letter already expressly confirmed its intention to exclude **all stokers** (i.e., irrespective of efficiency or emissions) from the definition of "advanced" technology, and such exceptionally clear guidance should foreclose further consideration within this venue.

Furthermore, as previously stated in our written and oral comments, the NOI threatens the integrity of the Renewable Energy Certificate (REC) market by creating uncertainty as to the definition of projects that will qualify as a "new renewable generation unit." The resulting uncertainty in the REC market, specifically the perception that the DOER may periodically change the market rules in response to short-term market pressure, will deter financial institutions and trading parties from making requisite long-term commitments for fear that future changes will erode the value of RECs. Forcing market participants to adhere to short-term, speculative market positions is patently unjust to stakeholders that have committed resources, either through prior long-term commitments or investments in project development, in reliance on market conditions that were established by the DOER's existing regulations.

I appreciate the opportunity to comment on this issue. We look forward to participating in future proceedings as these issues develop further. If I can provide anything further, please contact me.

Sincerely yours,

/S/

Christopher P. Sherman
Manager – Project Development